1952.

File No. O Finance Admins CRhd/52

Legal Department

A BRANCH p.4(e)

Subject:— Opinions under the Rehabilation - Finance Administration Act- 1948.

837-A

File No. O Finance Admins (Rhd)/52

C O N T E N T .

Legal Department File No. C Finance Adm.(Misc)/52.

S. No.	Compilation No.	1952 Subject	Pages.
	C Finance Adm. 116/1952.	Opinions under the Rehabilitation Finance Administration Act, 1948.	
		sec. 18(5)	
1.	CR 80533/A 8-12-1952.	The hours taken by a displaced person from the U.P. and by Shri Bhajraj Agarwal Punjabi from the late Govt. U.P. objected to the attachment in view of the proviso [illegible] under -----	1-6.

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L.D.T. T.No. 29128 dt. 3.12.52.

A displaced person named Shri Dhillanmal Gehimal had taken a loan from the T.F.A. and Shri Bhojraj Assumal Punhabi taken had taken a loan from the tate Govt. and Shri Dhillanmal Gehimal stood surety for him.

Shri Bhojraj Assumal Punjabi having absconded, the Collector of Nasik started recovery proceedings against him and proceeded to attach the business assets of the surety, Shri Dhillanmal Gehimal which were created by him from the loan obtained by him from the T.F.A. The T.F.A. objected to this attachment and informed the Collector of Nasik that in view of the provisions under section 13(5) of the Rehabilitation Finance Administration Act, 1948 the assets in question shall be deemed to be mortgaged to the Administration for the repayment of the loan and the interest thereon and could be attached and sold only subject to the 1st charge of the T.F.A. The Collector does not agree to the view of the T.F.A. that only the proceeds over and above their charge could be utilised in payment of the tate-loan, vide his letter dated 27.10.52 at p.5 ante. The Collector argues that if we permitted to accept as sureties, displaced persons who had themselves taken loans from the T.F.A. and if no effective action could be taken against such a surety, then there could be no propriety in accepting such loanees as sureties.

The Rehabilitation Department thinks that in view of the provision of sect. 13(5) of the Rehabilitation Finance Administration Act, 1948, the assets created by the borrowers from loans advanced by the T.F.A. are deemed to be mortgaged to it for the repayment of the loans and hence the

ans constitute a first charge on these assets.

The papers have been sent to the T.L.A. with the following remarks of the Secretary, Rehabilitation Deptt:-

"The legal position as stated by the E.F.A. appears to be correct. However L.D. may please confirm."

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"een and returned. The view taken by the F.F.A. and concurred in by the Secretary, Rehabilitation Department, is correct."

sd/-

Secretary of Legal Affairs.

U.F. to T.H.P., No. 20535/A dated the 6th December 1952.

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